19 September 1984

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MEMORANDUM FOR THE RECORD

SUBJECT: Talk With Bill Donnelly re Pay Banding

- 1. I called Bill Donnelly to discuss the budget aspect of the pay banding experiment. I wanted to be sure that Bill and I were not duplicating the work that had to be done. Bill advised that he had assigned a task force to develop cost figures to present to the DDA and the DDCI.
 - 2. Basically, Bill has directed the task force to do the following:
- a. Select a date and arrive at a salary figure for his Panel D careeriest, who would participate in the banding experiment. This would cover the range GS-06 to GS-15 officers.
- b. Calculate all of the positions authorized in each grade level and determine a cost figure.
- c. Project the cost figure for FY 1985 on the basis of positions authorized and anticipated salary levels of those in the experiment. In addition, include a 1% factor to cover WGIs, QSIs and other agreed-upon factors in the pay pool.
 - Include a figure of \$250,000 for start-up costs.

STAT	3. I asked Bill if he had gotten agreement handling the
	cost in this manner. He said he would advise Dave after they had arrived at
	the figure. I pointed out to him that his methodology was not the methodology Dave uses in budget preparation. Bill said that he was aware of that.
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